

## **Historic, Archive Document**

**Do not assume content reflects current scientific knowledge, policies, or practices.**



✓  
1.9422

Pa 2 M 34

MARKETING PROBLEMS IN MEETING 1944 PRODUCTION GOALS IN THE NORTHEAST  
(The marketing problems raised at State Production Goal Meetings)

23b

Program Appraisal Division  
Food Distribution Administration, Northeast Region  
December 1943

1000

504389

MARKETING PROBLEMS IN MEETING 1944 PRODUCTION GOALS IN THE NORTHEAST  
(The marketing problems raised at State Production Goal Meetings)

Numerous suggestions and criticisms concerning programs and problems of the Food Distribution Administration were presented at the State meetings called by the State War Boards in October 1943 to plan 1944 agricultural production. These comments were the expression of official committees or were made by the individual agricultural leaders and farmers who attended the meetings. Most farm organizations were represented at the meetings although there was variation from State to State. Participating in the meetings were the Farm Bureau Federation, the Grange, the Agricultural Extension Service, Agricultural Experiment Stations, State Departments of Markets, various Federal agencies and other agricultural organizations. The procedure in most meetings was to consider goals suggested by the War Food Administration in committees representing specific commodities. Committee recommendations were presented in a joint session at which final recommendations were made.

In addition to the recommendation of the official committees, individuals expressed criticisms and suggestions without the sanction of the committees. These expressions of individual participants may serve in many cases to reflect some of the prevalent opinions concerning farm problems. Although the comments may or may not be justified, consideration should be given to them, especially if they will help facilitate the production and marketing of food in 1944.

This report summarizes committee recommendations and comments made at the meetings including complaints with the programs of the Food Distribution Administration, other distribution problems, proposals for distribution programs, and prices or price incentives necessary to attain 1944 production goals. In the report, appraisals made by members of the Program Appraisal Division, Northeast Region are distinguished from actual recommendations and comments made at the meetings by indented typing.

ADMINISTRATION OF FOOD PROGRAMS

The temper of participants at the meetings varied from State to State. In some meetings open disappointment and bitterness with the operations of the food program were expressed. Much criticism was leveled against subsidies, the Office of Price Administration and the lack of coordination among Federal agencies. At other meetings there was a more constructive attitude. Participants wanted to know how they could contribute to the war effort.

The recommendation for more integration of Government agencies at the Washington and local levels was proposed by committees in several States. It was pointed out that the lack of coordination among agencies that sometimes exists is confusing to the farmer and to the public in general. Much of the existing cooperation among agencies depends on the personalities involved and it seems that a more formal and exact working relationship is desirable. To

facilitate greater coordination of agencies it was recommended in some instances that all matters dealing with food control be centralized in one agency.

Associated with the need for greater coordination among agencies was the recommendation made in some States that there be more consultation with interested parties on matters dealing with support and ceiling prices. The Department of Agriculture, food processors and handlers, the War Production Board and the Office of Price Administration should cooperate to a greater extent in determining ceiling and support prices.

The cleavage between different Federal agencies disrupts the efficient operation of and confidence in Federal programs. More coordination is needed and could be achieved by the greater use by the War Boards of the Food Advisory Committees of the Food Distribution Administration. The Boards could also confer frequently with representatives of the Office of Price Administration and the War Production Board or could invite these representatives to participate in War Board meetings.

Most committees felt that, in the past, announcements on Government programs such as on support and ceiling prices or the food orders, had been made too late in the season. In New York it was said that the untimely issuance of the fruit orders prevented their efficient operation. Many farmers, dealers and processors make commitments for seed, fertilizer and equipment in the fall preceding the crop year. In order to allow them to plan efficiently, an early announcement of policy with minimum subsequent changes was recommended. Most States recommended that announcements be made by January 1. Maryland set the date as early as December 1; Maine said "no later than March".

This recommendation has merit and should be given every consideration so that plans may be made sufficiently ahead of time to facilitate the meeting of goals.

At some meetings, individuals indicated that under Public Law 45, which provides that labor may be imported from abroad into certain distressed areas by the War Food Administration, it is stipulated that such labor may only be used for actual farm operations. It may not be used in processing plants. It was suggested that such labor be made available for processing purposes.

This recommendation seems desirable, especially where labor can be made available in processing plants in an emergency situation.

The President of the New Jersey Farm Bureau Federation made a very pointed statement with regard to the disposition of Government checks. He stated that at the present time farmers receive checks in the mail without any indication of the purpose for which payment is being made. He also implied that such checks might be used for political purposes.

It seems desirable to notify farmers regarding the purpose of individual checks. This could be done perhaps by enclosing a short statement describing the purpose in the same envelope with the check.

It was noted at the meetings that the Soil Conservation Service expects to make payments in 1944 on land devoted to all crops regardless of their essentiality or of conflicting policies of the Department. For example, land growing crops such as watermelons could receive payments. This would be one example of what might be termed an inconsistent farm policy. The Department discourages the production of certain crops yet pays a subsidy for the spreading of lime and for other improvements made on land used for such crops.

#### MARKETING EQUIPMENT AND SUPPLIES

Among the chief marketing difficulties anticipated in 1944 are the provision of adequate transportation and sufficient containers. Most major difficulties seem to have been overcome in 1943 except that in certain instances it was difficult to obtain gasoline. However, in 1944 it is expected that many trucks will have deteriorated or will have worn out completely and facilities will be inadequate. In Vermont, it is estimated that 51 percent of the trucks used exclusively to haul milk are over 5 years old. In Maine and New Hampshire, a decided scarcity of farm trucks of  $1\frac{1}{2}$  to 2 ton capacity is probable and in Maine it is estimated that 500 new trucks will be required. It is also generally desired that more repair parts be made available.

Recommendations in Vermont for relieving the milk transportation situation included, (1) re-zoning of pick-up service, (2) eliminating duplicating routes unless trucks are fully loaded, (3) eliminating where practical, self-haulers, (4) loading to capacity and (5) refusing new equipment to assemblers of farm products who are inefficient. If the county Farm Transportation Committee does not act on these recommendations in a reasonable length of time, it was suggested that the State Dairy Industry Transportation Committee take the action necessary for this program.

Such a program would make for a more efficient transportation system and could be matched by a retail conservation program, duplication in retail distribution probably being greater.

The need for containers was universally expressed especially with regard to the need for packing fresh fruits and vegetables. Farmers are having increasing difficulty in securing containers. In the 1943 season the supply was barely adequate despite low production and the many make-shift packages that were used. It was recommended that adequate supplies be made available and that growers begin to collect supplies of used containers for the 1944 crop now.

Farmers should attempt to store as many containers as possible to insure themselves against shortages at harvest time, to help relieve dealer storage space and to facilitate the container salvage program.

In New Hampshire and Vermont, committees recommended that more freezer lockers be made available. Use of these lockers is expected to decrease the strain on transportation and the food supply by facilitating the use of products produced at home.

A New Hampshire committee recommended an increase in the number of municipal canning centers with expenses for construction to be borne by the municipalities in which the centers are developed.

#### PRICES AND PRICE SUPPORTS

A number of specific recommendations were made concerning the level of prices that would be needed to meet 1944 production goals. Generally, higher prices were demanded. In many instances, ceiling prices and subsidies were vigorously attacked, ceiling prices on perishable fruits and vegetables, and roll-back and milk subsidies being especially criticized. There was some feeling that price ceilings for food should be established by the same agency controlling other phases of the food program. At some meetings, farm subsidies were viewed as a dole or a handout which was not permanent, required increased taxes and could be withdrawn by the Government at any time. Higher prices were considered to be more desirable.

Little understanding of the dangers of inflation was evidenced at many meetings although some lip service was forthcoming especially as far as the other fellow's prices were concerned.

In Delaware the following question was raised regarding the cooperation of Federal agencies in enforcing price ceilings. "Should farmers and others who have been convicted of price ceiling violations be permitted to participate in price supports and subsidies?"

At the present time specific penalties are provided for violators of price ceilings. Although the effectiveness of enforcing price ceilings could be increased if violators were suspended from Government benefits, it is questionable whether this action should be applied except in extreme cases. Perhaps, the more stringent imposition of existing penalties would be more effective.

Although subsidies were attacked, support prices and support purchases were generally viewed with favor, especially for Irish potatoes. However, in some instances there was criticism of the operations associated with the price support program. Generally the level of prices indicated as necessary to meet 1944 goals was higher than the level which existed in 1943. In Table I, committee recommendations concerning prices that are needed to meet the 1944 production goals are outlined by States and commodities. Comments on this table and other commodity recommendations are discussed below.

#### COMMODITY RECOMMENDATIONS

MILK The general opinion was that milk prices should be increased substantially. It was felt that dairy producers were entitled to price increases since milk prices had increased much less than other farm prices since the start of the war.

This is partly to be expected because milk prices were not as low as other prices at the start of the war. Fluid milk prices have been supported by marketing agreements and various trade barriers over the past few decades making the milk price structure more rigid and only subject to moderate change.

Table 1 (Continued)

Commodity	Unit/ <sup>1</sup>	Maine	New Hampshire	Vermont	Massachusetts	Connecticut	New York	New Jersey	Maryland	West Virginia
		Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>
Turkeys						premium for AA grade				
Eggs	doz.	higher <sup>/2</sup>				premium for AA grade	premium for jumbo grade			0.40
Composite milk <sup>/6</sup>	cwt.	\$0.65-0.93 <sup>/2</sup>	\$1.00 <sup>/2</sup>	4.25			4.35	4.75		
Fluid milk <sup>/6</sup>	cwt.				5.03	\$0.93		4.75	higher <sup>/2</sup>	\$1.00 <sup>/2</sup>
Processing milk <sup>/6</sup>	cwt.							4.75		

<sup>/1</sup> "unless otherwise specified.<sup>/2</sup> "higher" or "\$" is relative to prices received in 1943.<sup>/3</sup> "at market".<sup>/4</sup> delivered to factory.<sup>/5</sup> plus silage and seed costs.<sup>/6</sup> assuming no subsidy payments.

NOTE: Rhode Island and Delaware did not make specific recommendations. In Pennsylvania the recommendation was made for milk prices to be adjusted to higher costs. Blank spaces for commodities in other States indicate that no specific recommendations were made.

TABLE I. Farm Prices Needed to Meet 1944 Production Goals, by States and Commodities  
 (Recommended in October 1943 by State Production Goal Committees)

Commodity	Unit/ <sup>1</sup>	Maine	New Hampshire	Massachusetts	Connecticut	New York	New Jersey	Maryland	West Virginia
		Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>	Dollars/ <sup>1</sup>
Dry beans	lb.	0.10							
Corn						higher ceiling	higher ceiling	higher ceiling	
Irish potatoes	cwt. (No. 1 grade)	2.50	higher/ <sup>2</sup>	same as 1943	higher/ <sup>2</sup>	higher/ <sup>2</sup>	3.00		
Sweet potatoes								higher in winter	
Soybeans									higher/ <sup>2</sup>
Tobacco					higher ceilings				
Fruit									
Apples				support near 1943 ceiling					
Vegetables				no or higher ceilings	no or higher ceilings	Mkt.	Mfg.	no or higher ceilings	
Snap beans	bu.					3.00	✓ 15%		
Lima beans	bu.					2.40			
Beets	ton						25.		
Cabbage	ton					40.00/ <sup>3</sup>	15./ <sup>4</sup>		
Carrots	ton					40.00	35.		
Cauliflower	L.I. crate					1.75			
Celery	½ crate					3.00			
Sweet corn	ton						23.		
Lettuce	2 doz. crate					1.50			
Onions	cwt.			3.50		3.50			
Green peas	bu.					2.00	100. ton/ <sup>5</sup>		
Tomatoes	bu.					2.35	30. ton		

A price increase for milk was preferred over the subsidy plan by most participants. The Dairy Committee in Vermont favored such an increase but recommended a stamp plan to relieve hardship to low income consumers.

The discussion at the Vermont meeting indicated that a composite price of \$4.00 per cwt. for milk would be sufficient to increase production although the official mimeographed report recommended \$4.25 per cwt.

In New Jersey, flat prices were favored over pricing on the classification plan and in West Virginia, in lieu of an increase in price of \$1.00 per cwt. of milk, it was proposed that a subsidy of 50¢ per cwt. be paid and that special efforts be made to make feed available to dairy producers. (See discussion under feed below)

Some comments were forthcoming in private conversation regarding Food Distribution Order 79 which restricts the sale of fluid milk and cream. It was reported by individuals in Wilmington and Philadelphia that there were evidences of inequitable rationing of fluid milk by dealers. It was also pointed out that some milk dealers in Baltimore were restricting their customers to 75 percent of the cream formerly purchased so that where 1 quart of cream had been purchased formerly for about 60 cents on a quart basis, now 3 one-half-pint containers were delivered at 20 cents each making the cost of cream to consumers much higher. It was also indicated that under Food Distribution Order 13 revised, there is some hardship with regard to the limitation on the sale of heavy cream because some farmers only have outlets for heavy cream. In the New Hampshire conference an official suggested that authority to make decisions involving relief from hardship for producers and distributors disposing of not more than 1 gallon of heavy cream per day be given to the State Supervisor of the Food Distribution Administration with the requirement that a copy of the basic information used in the decision together with a copy of his decision be forwarded to the Regional Office.

EGGS AND POULTRY In Massachusetts, the discussion indicated that growers desire a 2-cent premium return on AA grade eggs under State grading regulations. It is felt that Federal grading is too expensive and cumbersome.

Food Distribution Order 71 which restricted the sale of turkeys for civilian uses until recently, was criticized in New Hampshire and Massachusetts. Participants stated that many small growers were left without a market for their turkeys because Army requirements could not be met or because the Army could not commit itself on the purchase of small lots and small growers were forced to dispose of the turkeys via the black market.

In the administration of Food Orders such as FDO 71, it appears that provision should be made for the prompt relief of hardship cases and for the omission of very small operators from the requirements of the order where such omission would not hamper the administration of the order. (Small operators usually are negligible in their effect on the market.)

IRISH POTATOES In general the support price program on Irish potatoes was viewed favorably. In Pennsylvania, the support price program was favored over incentive payments, although the Maine potato committee indicated that incentive payments were chiefly responsible for the acreage increase in 1943.

In Maryland, it was recommended that the period of price support on early potatoes be from June 1 to August 15 instead of the shorter period used in 1943. This would extend price support over the entire marketing season and would provide for support in seasons which were later than normal. It was also recommended that a support price be established for late potatoes harvested in Maryland after September 15, the rate to be the same as in the adjacent areas of Pennsylvania and West Virginia. The suggestion was also made that the FDA purchase potatoes, fresh fruits and vegetables on the basis of U. S. Grades and Standards.

The implied criticism here is that some purchases have been made of low quality produce which could not be disposed of and rotted, thus wasting transportation facilities.

In New Jersey, criticism was leveled at FDA's 1943 price support program on potatoes. It was alleged that for part of the season prices were not supported and although support for U. S. No. 2 grade was assured; it was never given.

Part of this situation may be traced to the difficulty of keeping abreast of market conditions at all times and in all areas. There is usually a lag of several days in securing the necessary market information needed to move into an area and support prices there.

During the discussion of potato prices in Maine, a grower from Southern Maine indicated that \$2.50 per cwt. was the desirable support price in 1944. However, some Aroostook County growers felt that this was a high price, one grower suggesting \$2.35 per cwt. as the desired price. The final price adopted by the committee was \$2.50.

This difference of opinion concerning prices can partly be accounted for by the higher prices ordinarily existing in Southern Maine due to its proximity to markets and lower freight rates compared with Aroostook County. A support price differential between Southern Maine and Aroostook County of 15 cents per cwt. would reflect historical differentials and freight rate costs, and should be instituted.

In Vermont, it was suggested by some participants that a differential in the price ceiling between seed potatoes and table stock be placed at \$1.00

SWEET POTATOES In Maryland, it was recommended that the entire DelMarVa Peninsula be considered as a unit in establishing prices for sweet potatoes and that the spread of support prices between October and January be widened to recognize actual storage costs and losses.

The recommendation implying that support prices should be the same in all parts of the DelMarVa area is open to question. Actually in normal years price differentials exist in the area which reflect proximity to markets and the type and quality of potato grown. Moreover, in normal years the price spread between October and January is much less than the existing price spread under the support program.

VEGETABLES In Massachusetts, it was recommended that no acreage increase for onions should be requested without an accompanying price support program.

At the New Jersey meeting a clarification of the basing point system of setting vegetable price ceilings was requested by the vegetable committee. Although ceilings were opposed, recommendations were made regarding price ceilings that would be favored by growers (Table II).

These proposed ceiling prices on vegetables are considerably higher than prices of most vegetables in 1943 so that in effect they would not act as a ceiling except to eliminate extremely high fluctuations.

In general, vegetable growers were very much concerned with the impact of price ceilings on their business. Most were very much opposed to the use of ceilings for vegetables. Violations of price ceilings were frankly reported in a large number of cases, tie-in sales being one of the most prevalent methods of evading ceilings. Some growers did not hide the fact that they themselves had sold produce illegally, although in several instances the more rigid enforcement recently of ceilings was beginning to make them more cautious.

The matter of support prices was brought up for discussion after the New Jersey vegetable committee returned its report to the general meeting and it was recommended by the general meeting that a resolution asking for a support price program on vegetables be included in the committee report. However, no mention of support prices was made in the official mimeographed committee report when it was issued. Support prices were favored because they provided a floor under prices to guarantee that very low prices would no longer exist. This would act as an offset to price ceilings.

Growers were somewhat disturbed because in the past season the vegetables for which the Department of Agriculture requested increased production had price ceilings whereas those vegetables which were considered unessential by the Government did not have ceilings and proved to be most profitable. Therefore, it was to the advantage of growers to conduct operations counter to the recommendations of the Government.

In Pennsylvania, the vegetable committee recommended that crops contracted for processing be placed under the direction of the Food Distribution Administration to control their flow into processing channels.

In 1943, the Commodity Credit Corporation had paper control of a crop in its subsidy program where it purchased and resold the crop to processors. This of course was done to pay a subsidy rather than to control the flow of the crop. It is questionable whether FDA should control the flow of the entire crop. It should primarily control that portion of the crop which is distressed and should be sure that farmers are treated properly in the sale of the crop. The complete control of the crop flow would involve a tremendous administrative job with doubtful benefits where the crop is now moving satisfactorily into processing channels.

TABLE II Schedule of Suggested Ceiling Prices to New Jersey Growers for Specified Fresh Vegetables. (Attached to Vegetable Committee Report at State War Board Meeting of October 19 and 20, 1943 Held at Trenton, New Jersey)

Vegetable	Unit	Suggested Ceilings	
		at Growers	Shipping Point
		Dollars	
Lima beans	bushel		3.95
Snap beans	bushel		3.70
Cabbage (early) <u>/1</u>	50 pound hamper	3.00	
(late) <u>/2</u>	50 pound hamper	2.00	
Carrots	<u>/3</u>		5.30
Cauliflower	standard crate (1 dozen heads)		2.25
Celery	1/2 crate		3.60
Cucumbers (market)	bushel	2.00	
(pickling)	bushel	3.00	
Eggplant	bushel		3.00
Lettuce	2 dozen heads		2.15
Peas (green)	bushel		4.50
Peppers (sweet)	bushel		2.10
Spinach	bushel		1.65
Tomatoes	20 pound climax basket		2.00

/1 Through June 30

/2 After June 30

/3 Not given

Several comments made by individuals have a direct bearing on the operations of the price support program. In several instances it was reported that crops went to waste. This was true of spinach and carrots in New Jersey and snap beans in Maryland and Delaware. Chief causes were the lack of processing facilities and the fact that the crops matured too rapidly and labor was unobtainable to harvest them.

Such occurrences tend to destroy confidence in the price support program and the food program in general. A critical story on the waste of spinach appeared in some New York City papers. Because of the unfavorable publicity from such waste, small as it may be, and because of the need to conserve every available bit of food, FDA should try more than ever to find outlets for distressed production.

Another comment concerned with the FDA purchase program was that purchases were based on too rigid specifications. There was some annoyance at refusals of the Food Distribution Administration to purchase New Jersey cabbage which was purported to be of good quality but which did not meet specifications. Also it was pointed out that FDA agents refused to purchase cabbage in certain types of used containers such as cantaloup crates, although FDA is at the present time making every effort to induce the greater use of second-hand containers, especially by bringing about shifts from accustomed types to more make-shift types.

This criticism is valid. If FDA is encouraging the salvage of containers it should be in the vanguard in their use. Difficulties associated with making purchases where support prices are computed on a bushel or similar container basis can be overcome by having support prices established on a pound basis so that they may be easily computed for all types of containers.

One grower thought it desirable that an FDA purchasing agent be present at each auction market so that his mere presence would keep prices from falling below support levels. Another plan was for farmers who sold produce at less than support prices to submit the bill of sale to the government showing this low price, with the Government paying the difference between the price the grower received and the support price.

This latter plan would eliminate the problem of setting up administrative machinery for supporting temporary low prices and of having buyers in all markets. On the other hand it would be subject to abuse particularly through misrepresentation of quality and through the lack of incentive for sellers to find a suitable market for their produce. The plan does not appear feasible.

The familiar question concerning the marketing margin or price spread between what the farmer gets and what the consumer pays was raised with the implication that the farmer's share was only a very small portion of what the consumer finally pays. A preliminary study in New York City by the Program Appraisal Division indicates that although dollar margins increased considerably in 1943 over 1942 for fresh vegetables, percentage markups appeared to remain generally about the same.

At one of the meetings it was pointed out by an official that the goal of 100 percent on watermelon acreage in 1944 compared with 1943 might have an adverse psychological effect. It might give growers the impression that large amounts of watermelons were desired and needed.

To overcome this situation it would be wise to phrase statements associated with the watermelon goal with the decrease of acreage from 1942.

In one instance it was reported that storage space for cabbage could not be obtained in New York City so that the grower was forced to sell his crop immediately although he wished to store and take advantage of higher prices in the future.

FRUIT Dissatisfaction by some growers was voiced with regard to the price ceiling for apples which does not provide for grade differentials. They would prefer premium prices for better grades.

This ceiling regulation penalizes producers of better grades of apples. In effect the ceiling on the better grades is more stringent than on the lower grades.

FEED The feed supply situation excited considerable discussion and anxiety at the meetings. The supply of corn as well as the supply of protein feeds was reported to be very short. Milk producers and poultry raisers were quite concerned about what could be done to relieve the situation. The corn that was available was being sold at considerably more than the ceiling price with black market quotations at about \$2.00 a bushel in some areas. This problem was accentuated by the fact that some farmers were having difficulty because their feed dealers had gone out of business and it was very difficult to make a connection with another dealer since most dealers were not anxious to secure new customers, hardly having enough feed to supply their old customers. Similarly, small feed mixers who customarily secured supplies from large mills also were unable to secure adequate feed because the larger mills could not supply their own preferred requirements. In New Jersey, it was reported that the Grange League Federation would only be able to satisfy 70 percent of the feed requirements of their customers this fall compared with last year. One individual indicated that the wheat market might be raided when feed supplies became very short.

Much of the existing situation was traced to the present corn-hog ratio and the corn price ceiling which makes it more profitable for farmers to feed corn to hogs than to sell it in the open market or to feed it to other livestock. Several committees recommended that ceiling prices on corn be raised in order to induce the flow of corn to Eastern States. The need for control over grain supplies was indicated.

In most cases, little recognition was made of the fact that for the coming season the price of hogs will be lowered in order to make corn-hog ratios less favorable.

Several committees recommended the importation of as much feed as possible from Canada and Argentina or wherever the feed could be secured.

This would seem to be helpful in alleviating the feed situation especially if surpluses are available that can be shipped from foreign countries.

In Vermont, it was recommended by the dairy committee that the Commodity Credit Corporation secure 10 percent of oil meals and other feeds for distribution through the War Boards. In West Virginia, it was suggested that feed be made available to dairy farmers on the basis of a certificate plan either direct to the farmer through the AAA, similar to the handling of Commodity Credit Corporation wheat, or through established commercial agencies, similar to the plan by which hay and feed are being made available to farmers in drought areas. In Delaware and New Hampshire the feed committee felt that in the event of rationing livestock feed, such rationing should be developed and operated by the trade.

This latter recommendation is open to question in view of the possible discrimination that the trade may exercise.

The New Jersey dairy committee indicated that the areas in the State which have suffered from lack of summer rain, should be treated as drought areas and hay should be imported into these areas by the Government for sale under the same conditions as in other drought areas.

In New Jersey, it was also recommended by the dairy committee that dairy cows be given first call on feed supplies although at the general conference meeting it was agreed on to modify this expression so that the poultry raisers in New Jersey would not be discriminated against. On the other hand, a large representative of the broiler interests in the DelMarVa Peninsula and an official in New Hampshire indicated that broilers were very efficient converters of feed. He had the feeling that Washington authorities were discriminating against broiler producers. Many livestock commodity groups seemed to feel that their class of livestock is entitled to preference in securing feed supplies. However, some liquidation of livestock especially hogs and broilers is anticipated because of the feed situation.

Broilers appear to be fairly efficient convertors of feed to protein, thiamin and niacin compared with milk used for butter, and of protein and niacin compared with hogs. On the other hand, lend lease and military requirements for broilers are very low and feed must be transported great distances if fed to broilers.

The feed situation will probably become a more and more pressing problem in coming months. Systems of distributing feed equitably may need to be instituted. Government control by rationing was not generally favored but if the situation becomes very tight this may be inevitable. It seems especially important that in the allocation of feed some discrimination be made between the different classes of livestock and other uses so that the more efficient uses are provided for first. The recommended goals recognized this principle in suggesting that hog numbers be reduced but some additional control may be necessary. In the event that the wheat market is raided for feed sometime in the future, it may be desirable to control the utilization of wheat.

These comments are not complete. They merely represent selected information discussed at the production goal meetings that members of the Program Appraisal Division considered important. They indicate some of the prevalent thinking on marketing problems and are probably weakest in their representation of small farmer opinion.